GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:7017
ANSWERED ON:13.05.2002
HIGH PREMIUM RATE UNDER NAIS
SURESH KODIKUNNIL

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the farmers are finding the premium rate for crop insurance under National Agricultural Insurance Scheme(NAIS) higher;

(b) if so, whether there is any proposal to reduce the said rate;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE(SHRI HUKUMDEO NARAYAN YADAV)

(a): No Sir, for food and oilseeds crops flat-rates of premium ranging between 1.5% to 3.5% are charged. These rates are much lower than the commercial rates of premium. However, some representations for charging higher premium rates for annual commercial/horticultural crops in respect of which commercial rates are charged have been received.

(b) to (d): No sir, actuarial/commercial rates of premium for annual commercial/horticultural crops are worked out on the basis of Standard Methodology namely Principles of Normal Distribution/Central Limit Theorem.Under this technique the pure risk premium is estimated by considering variability in yield of past 10 years. The rates of premium so calculated cannot be changed arbitrarily.

The model RISO RN 2030 suits our requirement.The print are 8` 14` is enough. Its maximum print speed is 130 copies per minute. It also has Hindi display which is very helpful as the machine is mostly used by class IV staff. It has auto power off facility. Estt. VII Section may check it. It has zoom facility. The company may be asked to arrange a demonstration.